

FRACTIONAL CURRENCY COLLECTORS BOARD
C/O M.R. Friedberg
2537 Claver Road
Cleveland, Ohio 44118

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MAY NEWSLETTER

Our Treasurer, Dr. Wally Lee, reports that our treasury currently stands at \$719.03. He has collected 1231.03 in dues including the opening balance plus interest of 31.16 and paid out 543.16 in mailing, duplicating, stationery, and typing charges. Unfortunately, the charges for this newsletter and mailing are not included.

Treasurer Lee is planning to personally collect your 1987/88 Dues at the Memphis Show or by mail shortly thereafter..

We are all looking forward to the 1987 Memphis Paper Money Show in Memphis, Tennessee, on Friday June 19 through Sunday June 21, 1987. Headquarter Hotel is the Holiday Inn Crowne Plaza and the convention Bourse and exhibits are across the street at the convention center. Our Annual meeting is scheduled for ERIKA'S Restaurant, 52 So. Second Street at 6:30 PM on Friday, June 19. Beside the normal companionship and friendly banter, there is some serious business to consider. The first rewrite of the complete "Encyclopedia of Postal and Fractional Currency" will be available for your inspection, comments, advise and decision as to how we proceed to distribute it to our membership.

There will also be a "Seminar" on Fractional currency similar to the one of last year's Memphis meeting that should be scheduled for Saturday. Definitive word on its schedule will be in the Memphis program. Look for the exhibits on Fractional and remember that there will be a separate judging for Fractional Exhibits. Hoping to see you all there at the show and at our meetings.

Attached herewith is an updated membership list with changes of Address for Korin and Gutman. Also attached is a copy of an article that appeared in PAPER MONEY, Volume 7, No. 4, 1968 that might add to your library.

See you in Memphis?

Milt Friedberg

ARE YOU AN ACTIVE MEMBER?

Are you an active member
The kind that would be missed?
Or are you just contented
That your name is on the list?

Do you attend the meetings?
And mingle with the flock?
Or do you stay at home
To criticize and knock?

Do you take an active part
To help the work along?
Or are you satisfied
To only just belong?

When the business session comes around
Do you pretend to be sick?
And leave the work to just a few
And then talk about the "clique"?

Think this over, member,
You know right from wrong.
Are you an active member?
Or do you just belong?

Author Unknown

New Information on Fractional Currency

By M. R. Friedberg

D. W. Valentine¹ specified that all Second Issue notes were printed on plates of 25 subjects with the plate number appearing at the intersection of the lower left hand four notes. I have been puzzled by several unquestionably genuine sheets of notes that do not have plate number in the correct position. Several sheets have appeared without plate numbers, whereas others have had the plate number at the lower sheet edge between the first and second note from the edge. Discovery of an October 1, 1864 inventory of engraved plates in the printing bureau of the Treasury Department has now solved this mystery.

The inventory listing shows that the 5c and 10c plates were made for 20 subjects, for 25 subjects and some for 50 subjects, while the 25c and 50c were made in 20, 25 and 40 subjects contrary to Valentine's statement of only 25 subject plates.

Other comments in a Congressional investigation (28th Congress, 1st Session, Ex-Documents #50 and #140) indicate that the large plates of 40 or 50 subjects were intended for use in the hydrostatic (dry process) presses but were actually usually used with half-size sheets of paper! Apparently problems in both paper production and in printing press adjustments made it necessary to use smaller size sheets most of the time. Later inventories indicate that full sheets of 40 and 50 were printed, but Treasury records normally indicate smaller sheets.

Apparently the plates of 20 subjects for the 5c and 10c were intended for specimens and shields, as were the 25-subject plates for the 25c and 50c. It might be further assumed that the specimen plates were in process at inventory time since the special plates did not exist for both obverse and reverse of each note.

A further oddity of the Second Issue has been the appearance of a gold or bronze rectangle approximately $\frac{3}{8}$ " high by 1" long with the legend "Treas Dpt" inside the rectangle (see V19E).¹ The device is found in the corner of the note and is found on either obverse or reverse. The mystery surrounding this device's appearance on Second Issue fractional currency was cleared up through the testimony of William H. Coleman (Assistant Clerk, Paper Department, October 1866 to May 1865), as reproduced in Document #273 of the 3rd session of the 40th Congress.

"Answer: . . . Our idea was not but that any stamp which was put on to the paper could be counterfeited, but that if it were done we could bring to bear on those who did it the counterfeiting laws the punishment for counterfeiting. The law provides for distinctive paper. They had no distinctive paper; it was such bank note paper as is used by all bank note companies for printing. But by taking it and imprinting it with a treasury stamp and making

it treasury paper we did make it really a distinctive paper.

Question: What species of a device was this, that you put upon the paper in your office, before you delivered it out?

Answer: It was a small simple stamp, consisting of a rectangle with "Treasy Dpt" inside of it, which was printed on the corner, and intended to accompany it all through its different stages.

Question: During the time that system was in operation under Mr. Drummer and yourself, how did it work, practically?

Answer: So far as I know, it worked well."

In going through the bronzing process, the rubber stamped device became bronzed along with other things to be bronzed. It is obvious that the examples of this device were not always properly trimmed off the selvage of the paper. In fact, the paper counters were apparently lax and sometimes stamped the device into the printing area. Valentine refers to a red device (V17F)¹ on some notes, and we can assume that this device was used when counting completed sheets of printed notes during Coleman's tenure in the Department under S. M. Clark from February 1864 to May 1865.

Through the efforts of Mr. Floyd Dill of Bridgeton, N. J., I was able to photograph a copy of a 50c Liberty 3rd issue note having a red reverse with the autographed signatures of Colby and Spinner on the obverse. The reverse has the bronze letters S-2-6-4 in the corners and the obverse has contemporary writing in the borders saying: "Very rare, from Wm. at Washington Nov. 1864, Autographed—not issued." This written information further substantiates the date published on page 49 of PAPER MONEY #22 Vol. 6, Issue 2, 1967, that the first printing of this note was November 14, 1864 and that the first note issued was Friedberg 1357, Valentine 43.¹

In a discussion of the printing dates of 50c, 3rd issue, S. M. Clark (page 136, note 23, Report 273 of 40th Congress, 3rd Session) reported that he had made an experimental printing of notes on November 14, 1864. Three hundred and sixteen sheets having a value of \$6 per sheet (or 12 subjects per sheet) were printed, and he delivered 255 sheets to the treasurer. Ten sheets were retained in the printing department's vaults and 51 sheets mysteriously disappeared and were believed to have been destroyed. There was a total possible issue of 316 sheets making possible 3,792 total notes now identified as #F 1357. However, Clark stated that only 255 sheets were "fit to issue" giving us an exact issue of 3,060 notes having a value of \$1,530 sent to the treasurer.

Clark then goes on to say that production of regular notes didn't commence until January 14, 1865, with first



Normal plate number location

delivery to the Treasurer on February 15, 1865. We can assume that notes issued after February 15 were the regular Justice notes. Final substantiation is contained in a copy of the *Bankers Magazine*² for March 1865 (page 688) in which they announce a new Fractional Currency and describe the 50c Liberty having a red back with letters S-2-6-4 in the corners (F 1351-4).

Further, the Spinner notes replaced the Justice notes after September 21, 1867 when Colby left office and before August 10, 1868 (the date of the plate inventory in Ex. Doc. 45 of 40th Congress, 3rd Session). The inventory lists the 3rd issue Spinner obverse plates, the old design 50c reverse plates and the "new" designed 50c reverse but does not list the Justice 50c obverse. We can therefore be assured that printing of the Justice notes was discontinued before August 1868 and before Jeffries' term of office which started in October 1867. Fifty-cent Spinner notes with Colby's signature were regularly issued, and thus the Spinner notes must have replaced the Justice notes before Jeffries came to office or Colby wouldn't have signed the regularly issued Spinner notes.

The *Bankers Magazine* article of March 1865 goes on to state: "The twenty-five cent notes are nearly quite finished, but have not yet reached this city. They are to be shorter than the fifties while the tens and the fives are to be relatively still shorter. It is understood that the principle of historical illustration adhered to in the designs of the national currency has been extended in some of its features to all the new fractional notes."

This comment lends credence to the previously published opinion that the 5c Clark was supposed to have been the vignette of the Clark from Lewis and Clark

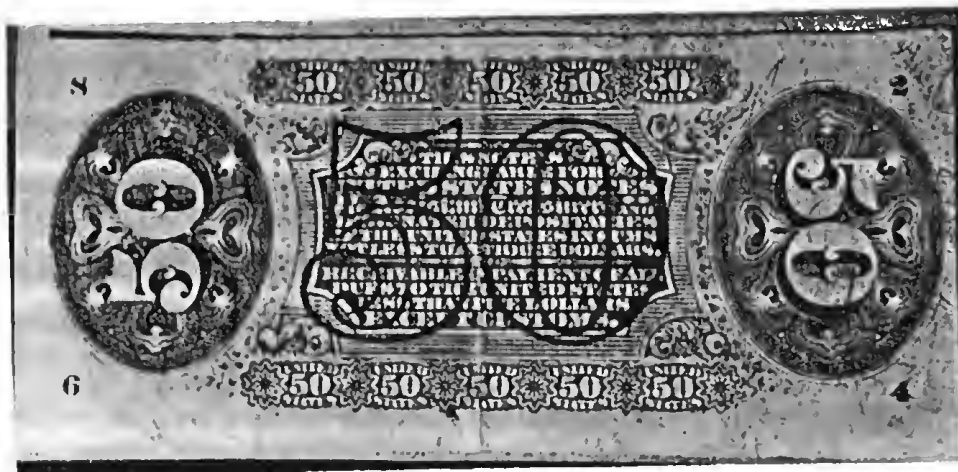
rather than S. M. Clark of the Bureau of Printing and Engraving. However, it does open the question of who (or what) should have been illustrated in place of Fessenden on the 25c note!

Returning to the 50c S-2-6-4 note (F 1357), another significant point is made that the "S" of S-2-6-4 cannot refer to September since the notes were printed in November. The "S" could refer to silk as the material imbedded between the two layers in making membrane paper. Testimony in later investigations pointed out that silk fibers tend to flatten out whereas jute fibers are round and retain their shape. Close investigations of the fibers in the S-2-6-4 notes indicate that they appear to be silk threads and that the "S" could therefore indicate silk. The "2" would then indicate either two thicknesses of paper or the 2nd experiment in the series with the "6" and "4" obviously the year of 1864. However, investigation of the A-2-6-5 notes indicates that there are no fibers in the notes, except for the F 1370-73 series (V 42-42C) which are 50c Liberty notes with green reverses. These F 1370-73 notes are on paper identical to the S-2-6-4 paper of F 1357. The obvious assumption is that Walter Breen's comments³ that F 1370-73 are error notes and should bear the S-2-6-4 marking are positively correct.

The August 10, 1868 inventory specifically lists the new design 50c reverse as "used on specimen head" and encompasses a total of 22 plates serially numbered from #1 to #22. This indicates that these plates were just being produced, whereas the old design 50c reverse inventory of 44 plates from plate numbers 1 to 94 with various missing plate numbers would indicate that certain plates had been withdrawn. Further substantiation is given by Valentine's¹ listing the existence of notes with old



Friedberg 1357 obverse



Friedberg 1357 reverse

design reverse plate #2 which is not listed in this government inventory. Valentine also lists notes with new design 50c reverse plates of #24 and #26 which weren't yet included in August 10, 1868. He also lists obverses with plate numbers higher than those shown on the inventory, thus substantiating the issue of the new design 50c reverse after the inventory date. Positive indication that the regular printing of the new design 50c reverse didn't start until after August 10, 1868 is that plate #24 Spinner obverse which was used on the old design 50 reverse was not included in the inventory and must have been used after August 10, 1868. We can safely state that:

1. F 1339-42 50c Spinner new design reverse (V44-44g) were regularly issued at some date after August 10, 1868 and before October 15, 1869 (end of Jeffries' administration).
2. Specimens of the new design 50c reverse were issued prior to August 10, 1868 and probably during early 1868.
3. Justice 50c notes were discontinued prior to August 10, 1868.

The finding of Jeffries-Spinner signature on specimens and shields indicates that shields were definitely issued during the Jeffries' administration of October 5, 1867 to March 15, 1869.

During the investigation detailed in Doc. 273 of the 40th Congress, 3rd Session, a Mr. Thomas W. Fowler of the auditing staff was questioned and in his answer further proved that the shields were printed at the Bureau when he testified:

"Answer: The amount on hand as per account was 33,500 while the amount on hand as per inventory was 33,600. On page 90 in the account of plate paper, 24 by 30.

Question: What kind of paper was it?

Answer: Very heavy paper, used for printing the tablets on which specimens of fractional currency were pasted. I did not make a personal examination of it. I merely entered it as it appeared in the book and balanced it by the book without any inventory. It was very heavy paper, 200